Industry Engagement Workshops
Summary of Key Findings

NMLS 2.0 Requirements Discovery
January 17-18, 2017
Charlotte, NC

Meeting Objectives

Establish an open and collaborative dialogue on how to make the end-to-end licensing process a great experience.

- Familiarize you with the NMLS 2.0 project
- Present core tenets of NMLS 2.0 capabilities
- Summarize current-state feedback
- Brainstorm ways to transform NMLS
- Discuss how to maintain stakeholder engagement

Topics Discussed

Thinking Forward

Overview of NMLS 2.0

- Summary of current state challenges
- Vision
- High-Level Approach
- Stakeholder engagement strategy
- Governance structure
- Guiding principles
- Architectural building blocks
- Draft user persona and journey map walkthrough

Facilitated Breakout Sessions

Summary of Attendee Expectations

Provide insights and best practices on how to improve NMLS

Gain understanding of the future direction of NMLS 2.0

Confirm what functionality should stay, should go, and should be added

Understand how we can continue to support the effort

NMLS 2.0 Guiding Principles

Principle Topic	Guiding Principle
Real-Time System	NMLS 2.0 is a real time system that will show the current state of an entity's record.
Uniform Data	NMLS 2.0 will provide an application/licensing platform containing uniform data, terms, and definitions.
Dynamic Display	NMLS 2.0 will present users with only information that is relevant to them based on their role (i.e. regulator, industry type, etc.).
One Record	Each distinct legal entity, branch, and natural person will have a single, unique record in NMLS. The entity's One Record in NMLS can be used to apply for, maintain, or surrender licenses in multiple states and will capture all data required in the supervision process.
Common Framework	The System will enable uniform core policies/processes based on best practices identified through the established governance process.

NMLS 2.0 Guiding Principles

Principle Topic	Guiding Principle
Data Validity	NMLS 2.0 will be built to promote data quality through accurate data input and will validate data where possible.
Record Information	The ability to create or modify record information will be limited to the entity with the right to control it.
Legal System of Record	NMLS is a legal system of record for agencies participating in NMLS.
NMLS Unique ID	The NMLS Unique ID will be applied to only unique legal entities or a natural person.
Automate what is manual and routine	Manual and routine processes will be automated to the greatest extent possible.
Leveraging Data	NMLS 2.0 will leverage external data sources rather than recreating data when applicable.
Data Security	NMLS 2.0 will be built to best practices in data security and privacy protections.

NMLS 2.0 Architecture Building Blocks

- Role-Based & Delegated Security Model
- Rules-Based Processing
- Workflow- & Object-Centric Design
- Centralized Ecosystem and Audit Trail
- Input Validation & Contextual Help
- Functional Reporting Capability

User Experience Breakout #1 – Single Record Concept

Problem Statement: NMLS 1.0 currently provides multiple login credentials to users with multiple records (e.g., State, Federal, Company, Branch, etc.) in the system.

Goal: NMLS 2.0 will provide a <u>single</u> login per natural person to eliminate having to manage multiple records (e.g., log-in credentials and worklists).

Common Themes Heard During Session:

- Each user should have a single login
- Ability to easily toggle between entities that users have access to through a dashboard
- Should be very clear what entity a user is currently working in
- Ability to make updates in one entity that flow through to related entities
- Ability to dynamically change the display based on what role a user is assigned for each entity (e.g., MLO versus Officer)
- Ability to assign roles / permissions an individual should inherit based on role and entity
- Ability to remove a user's access to an entity after termination / change in employment
- Provide a warning prior to submission reminding a user what entity they are working in
- Eliminate different contexts for state and federal – should be merged
- Ability to maintain historical data with a record
- How will existing logins be merged for users with multiple logins?
- The amount of re-work that is required if someone is working on the wrong entity is a concern
- Need to ensure that logins and passwords aren't shared

User Experience Breakout #2 – True Insular Ecosystem

Problem Statement: NMLS 1.0 has numerous interactions taking place outside of the system (e.g. communications via email or certified mail).

Goal: Identify areas where communications/documents are required outside NMLS today. Ensure NMLS 2.0 is equipped with functionality to eliminate activities taking place outside of the system.

Common Themes Heard During Session:

- NMLS should be a one-stop shop for submission via the system
- Incorporate all state checklist requirements into the system
- Ability to e-sign all forms
- No more mailing forms outside of the system – utilize document upload instead
- Ability to communicate with other users within the system
- Ability to access data for prior employees for the entire period they worked for the company
- Need a comprehensive dashboard for tracking all entities, users, and tasks
- Resolving deficiencies should be done within the system and it should be clear who placed the item with an easy way to contact them
- Background checks and fingerprinting should be moved into system
- Ability for NMLS to interact with internal systems
- Varying state requirements and requirements outside of the system are a big challenge
- Companies do not want regulators to see certain information
- Resistance from regulators could be an issue with implementing change
- Should all data be collected upfront even if not necessary initially?

User Experience Breakout #3 and #4 – Automation of Company Activities and Reviews

Problem Statement: The existence of manual processes within NMLS 1.0 negatively impact the user experience.

Goal: Gather information on Regulator pain points in order to capture effective business rules in automation logic for NMLS 2.0.

Common Themes Heard During Session:

- Strive for a paperless system with all data inputted directly into the system
- Ability to auto-approve clean records that pass all checks
- Ability to bulk upload data or complete tasks in bulk within the system
- Ability to have an interface between NMLS and internal systems
- Ability to update all applicable records when an employee moves from one branch to another
- Have a more streamlined and intuitive UI
- Ability to automatically validate certain data fields (SSN, address, etc.)
- Ability to check a filing for completeness
- Ability to automatically update employment record when hired or terminated
- Sponsorships should be automatically approved with an approved license and an employer
- Possibly bypass attestation for minor changes
- Need to have a degree of control over automated activities
- Regulators may push back on automation as they have different processes for performing reviews
- All data must be in the system before having the ability to automate a task

User Experience Breakout #5 – Individual and Company record data

Problem Statement: The current system forces the user to manually enter information (e.g., addresses) that already exists in the system.

Goal: Understand what information can be provided at the individual or company level (vs. the license level) to provide an "auto-fill" functionality during application filing.

Common Themes Heard During Session:

- Potentially capture as much data upfront for companies and MLOs then have the system use this data to create the appropriate filings and forms
- Ability to validate data against external sources (SSN, addresses, etc.)
- Ability to modify the master data records for MLOs and companies
- Ability to auto-populate employment info with the correct branch
- Ability to auto-update work address if a company moves locations
- Ability to bulk upload only one field at a time and include custom data fields like employee #
- Ability to enter a termination reason
- Ability to have better data presentation (display all employees of a particular branch)
- Ability to have an "Inactive" status for employees not currently originating loans (military, employees who moved to another role in the company but could go back)
- Better ability to search for data/records
- Ability to review information before submitting due to possible conflicts with internal systems
- Asking for too much data upfront could be a burden on Administrators or MLO's

User Experience Breakout #6 – License/Registration Management

Problem Statement: The workflow process for application filings is complex, not intuitive, difficult to navigate, and does not provide transparency into where in the process the applicant is.

Goal: Develop logical workflow for filings (e.g., MU1/R, MU3, MU4/R), and better coordination with MU2 control person changes in NMLS 2.0.

Common Themes Heard During Session:

- Having all checklist items and requirements right in the system – states would have to maintain
- Need to visually represent where a user is in the overall workflow such as a status bar, and what is still needed from that user
- Real-time data validation occurring for each field and page instead of correcting errors at the end of the process (i.e., cannot proceed to the next page until data entry errors have been addressed)
- Ability to include the sponsorship information with the MU4 filing
- Ability to have multiple pending filings since pulling together information for some states can take longer than others and could stall submission of the MU1 filing
- Help resources should be right on the page a user is working on instead of in a different location
- For batch uploads for MLOs records who have not granted the company access, ability for NMLS to NOT reject the uploaded record and send a notification to MLO stating that the company tried to create a filing and request the MLO to grant access
- Ability to see status from the regulator after the filing has been submitted

User Experience Breakout #6 – License/Registration Management (continued)

Problem Statement: The workflow process for application filings is complex, not intuitive, difficult to navigate, and does not provide transparency into where in the process the applicant is.

Goal: Develop logical workflow for filings (e.g., MU1/R, MU3, MU4/R), and better coordination with MU2 control person changes in NMLS 2.0.

Common Themes Heard During Session:

- Ability to complete license and registration management activities via mobile devices
- Ability to configure what parts of the MU4/R filing should be handled by the MLO and what parts should be handled by the Account Administrators / Organizational Users
- Ability to search/filter data records
- Dashboard only displays active records/tasks
- Ability to manage notifications and send notifications for incomplete tasks
- Ability to include sponsorship info in MU4
- Ability to add a branch manager for a branch that isn’t licensed yet
- Ability to receive confirmation of submission and when received by the regulator
- Ability to easily navigate between sections of the filing
- Ability to complete specific tasks without going through the entire form (dynamic workflow)
- Ability to leave and come back to a filing and resume in the same location
- Ability to prompt a user before automatically logging out after a period of inactivity
- Should access be automatically granted with an employment relationship?

User Experience Breakout #7 – Workload Management

Problem Statement: Users have difficulty managing their workload within NMLS.

Goal: Conceptualize usable functionality to manage all of the activities that need to be completed within NMLS.

Common Themes Heard During Session:

- Ability to have a process flow and visual to help MLOs understand what they need to complete
- More standardized state requirements would make filing a much easier process
- Ability to have a configurable dashboard for company Administrators to view all open tasks
- Ability to know what tasks are new, require action, or are urgent
- Need a more intuitive interface (i.e., simple way to know where to start to take action)
- Ability to alert users of aged action items
- Ability to assign certain tasks to certain roles / people
- Ability to prioritize and re-prioritize workload on the fly
- Ability to customize emails, alerts and reminders
- Ability to include company identifiers for reporting purposes
- Ability to communicate with other users within the system
- Ability to search/filter tasks
- Ability to clear a task from the dashboard when complete
- Ability to clearly identify whose turn it is to take action on a task (regulator or company?)
- Ability to archive completed tasks
- Ability to track metrics on task completion

User Experience Breakout #8 – Data / Periodic Reporting

Problem Statement: The lack of customization and relevancy in reporting results in numerous ad-hoc requests from the users.

Goal: Ensure the process to request, submit, and view a report via NMLS 2.0 is efficient and effective for users.

Common Themes Heard During Session:

- Administrators would like to see all data in NMLS to share with lines of business who are requesting data on MLOs, and to combine with other reports – all data should be reportable
- Ability to customize reports based on available data fields
- Ability to filter/sort data in reports and drill-down to more granular detail
- Ability to access historical data
- Ability to report on license costs ("How much have we spent on each MLO?")
- Ability to report on what has changed in the system for a company
- Ability to auto-fill MCR information from data in NMLS
- Ability to self-serve and pull reports including any ad-hoc reports
- Easily downloadable and usable reports
- All data in system and reports should be real-time
- Ability to save report settings and pull this report over and over again
- Ability to complete the MCR by sections instead of overwriting each time
- Ability to have permission-based reports
- Ability to run analytics on the MCR

User Experience Breakout #9 – Employment Management

Problem Statement: The process of managing licensing/registration for MLO's can be very challenging. On the state side, relationship/sponsorship management with employees is inefficient (e.g., application submission and sponsorship requests are separate, no way to communicate within the system).

Goal: Conceptualize a better process for managing your MLO's. Identify what statuses of a relationship are usable/logical and provide the concept of automatic sponsorships to employees who are licensed.

Common Themes Heard During Session:

- Include sponsorship and approval in one step or part of one workflow when doing a filing
- Possibly get rid of the concept of relationships and replace with employment date similar to what happens with federal institutions
- Ability to notify Administrators and Organizational Users when a relationship has been established
- Ability to view a list of all active relationships
- If branch information is updated, the relevant branch information is auto-populated for all employees who work for or transition to that branch
- Ability to stop relationship with a MLO immediately within NMLS
- Ability to integrate State CBCs
- Ability for employer to pick and choose what licenses to sponsor during the transition process
- Ability for company to request access including through the bulk upload process
- Ability to know who granted you access either in the communication or on the dashboard
- Process to grant access is currently a pain point

User Experience Breakout #10 – Invoice Management

Problem Statement: NMLS users currently experience pain with the inability to make bulk payments and the difficulty of searching for invoices.

Goal: Understand the full inventory of invoices that must be paid and what invoices are sent through ad-hoc invoice tools.

Common Themes Heard During Session:

- Ability to pay invoices for MLO’s
- Ability to pay renewals at one time using a pre-paid account or after bulk upload
- Suggest issuing payment after an MLO has attested to the renewal to avoid over payment
- Ability to download invoice details using filtering criteria such as timeframe to help with internal account reconciliation
- Ability to modify the number of invoice records that appear on the screen at one time
- Ability for the company to send an invoice to a MLO
- Ability for a MLO to send an invoice to a company
- Ability to pay invoices in bulk and pay for multiple users or activities at once
- Suggest providing MLOs transparency on the lag time it takes for ACH payments
- Ability to use other payment methods such as pre-paid accounts or Amex
- Ability to upload custom fields like cost center
- Ability to search/filter invoices
- Ability to generate accounting reports that contain all invoicing details
- State regulators may need to change requirement of having MLOs pay for certain items
- Some states currently require payment for certain items outside of the system

User Experience Breakout #11 – Legal system of record

Problem Statement: Can NMLS function as a legal system of record that can be relied upon by companies/regulators in adjudication proceedings?

Goal: Determine NMLS' potential capability to be relied upon as a legal system of record.

Common Themes Heard During Session:

- Ability to have access to historical data for MLO profiles to assist in audits
- NMLS is the control point to indicate that someone is licensed / registered (i.e., are you able to operate in this state?)
- Most agreed NMLS should be the legal system of record for state licensing purposes
- Notes placed on records should not be editable - only place new notes
- Need audit trail of any data changes
- Ability to correct data with a formal process
- Ability to display a prompt before submitting something with a summary of changes, as well as the consequences/impacts/outcomes
- Ability to have an activity date vs effective data
- Should everything in the system be a legal system of record, or only certain items?
- Can NMLS be depended upon for exams?
- Ability to have non-editable fields
- Where does liability lie for having correct data?
- Data correction can possibly result in legal issues
- Back-dating changes has been a major issue

Parking Lot Items

- Generate additional ideas on how to engage industry stakeholders:
  - Zoom meetings
  - Regular communication updates
  - Updates on outcomes from regulator meetings
  - Summary notes from workshops
  - Blog (Note: Some technical firewall issues with some companies could impact participation)
  - Regulator and industry working group
- Provide summary information to industry stakeholders following regulator meetings
- How to do MU2 for a branch manager when branch is not licensed yet
- How can we streamline communications (too many people involved in the process, hard to locate information such as the state regulator name involved in reviewing a filing)
- How can we get State regulators to keep information more up-to-date?

Policy Considerations

- States standardizing on state checklists
- Would State regulators be willing to include state checklists in the system?
- Would State regulators be willing to change rules that require MLOs to pay for invoices where companies want to pay?
- Would State regulators be willing to accept e-signatures?
- What data is really needed for the MCR?
- Can state regulators accept state forms in the system?
- What information should regulators should see in NMLS 2.0?
- Determine legal system of record for NMLS since it is tied to adjudication